

KITTERY NAVY-YARD.

AUGUST 1, 1876.—Recommitted to the Committee on Naval Affairs and ordered to be printed.

Mr. MILLS, from the Committee on Naval Affairs, by unanimous consent submitted the following

REPORT:

The Committee on Naval Affairs have examined the charges made by Hon. John H. Burleigh against the conduct of the Kittery navy-yard, in connection with the testimony taken by the committee, and find that on the 18th day of September, 1873, Isaiah Hanscom, Chief of the Bureau of Construction and Repair, entered into a contract with John W. Griffiths to construct at the Kittery navy-yard the hull of a steam screw-propeller sloop-of-war, according to drawings and specifications, which were made part of said contract, for which said Hanscom agreed to pay said Griffiths forty-six thousand two hundred dollars.

During the construction of said hull, controversies arose a number of times between the constructors in charge of the work on behalf of the Government and said Griffiths. In every instance said Griffiths contended that he was not required by the contract to do certain work on said vessel which the constructor required him to do; that said differences were referred to the commandant of the yard, and his decisions generally sustained the constructor, holding said Griffiths to perform the labor so required of him. From these decisions of the commandant said Griffiths appealed to said Hanscom, chief of bureau at Washington, who in almost every instance decided in favor of the said Griffiths.

Your committee find, from an examination of the terms and specifications of the contract, that said Hanscom by said decisions released said Griffiths from the performance of a large amount of the labor stipulated to be done by him. In some instances he ordered the work to be left undone entirely, and in others to be done by and at the expense of the Government. There were three contracts made with Mr. Griffiths for work on said vessel. Before the first contract was completed, said Hanscom entered into a second contract with the same party, without giving notice or inviting competition, and in the second contract embraced a great many of the items of the first, from the performance of which he had released him by his orders and decisions, but for doing which he had been paid according to the terms of the contract, thus paying him twice for the same work. Your committee find that said Hanscom paid said first contract in full, and without having any report from the naval constructor or inspector in charge of the work, or without asking for any report from them as to whether said contract had been performed by said Griffiths.

Before the second contract was performed and completed said Hanscom entered into the third contract with said Griffiths, and again without notice or invitation to other bidders to compete for the work. In this,

as in the first contract, there was no report called for from the constructor in charge of the work as to whether it had been performed or not. In this case as in the other he was paid in full, and in this case as in the other he was released from performing certain items of labor which he had stipulated to do in the second contract, and in this as in the former case he was twice paid for the same work, with the knowledge and consent and by the orders and decisions of the chief of the bureau. Said Griffiths failed to perform items of labor specified in his first contract amounting to some fifteen thousand dollars. Twelve thousand five hundred dollars' worth of work contained in the first contract, and from which the chief of the bureau had released Mr. Griffiths, was also carried forward and contained in the second contract again.

After the first contract, Naval Constructors Webb and Wilson and Assistant Naval Constructor Hichborn estimated the cost of all the work, by items, to be done on the vessel to complete it for sea could be done for the sum of \$43,641, and that amount was a liberal estimate of the cost. Yet Mr. Hanscom selected out of said amount of items of labor, so specified as necessary to finish the vessel, a list of items of labor that it was estimated the Government could do for the sum of \$18,758, and entered into a contract (the second) with Mr. Griffiths to do the same for \$25,000; so that the Government lost the sum of \$6,242 by this contract. In the third contract, for building the spars, Mr. Griffiths received the sum of \$6,500, making in the two the sum of \$31,500 paid him by the Government, with the vessel still unfinished, and requiring a further expenditure of \$24,833 to complete it, making its completion, after the first contract, cost the Government the sum of \$56,383, instead of \$43,641, causing the Government to lose the sum of \$12,742 by the contract of the chief of the bureau. In the third contract, as in the other two, Mr. Griffiths was relieved from performing a part of the labor which he had contracted to do. It is in proof that Mr. Griffiths stated on the day the President signed the bill for the eight sloops-of-war that he was to have the building of one of them; and from the fact that Mr. Hanscom gave him a private memorandum placing a construction upon the proposals that would require less labor to perform them, and which was not given to other bidders, it seems that it was determined between the two that Mr. Griffiths should have this vessel, and their conduct during the construction of the vessel leaves but little doubt of that fact.

Mr. Griffith also filed a bill of "extra" charges against the Government, \$4,000 of which was paid under the orders of Mr. Hanscom, and the sum of \$1,926 is held up for the determination of a board of referees. This extra bill was never presented to the constructor for his examination previous to its approval by the chief of the bureau. The items of which it consisted were for damages for delay in furnishing material, &c., the correctness or falsity of which was almost solely within the knowledge of the officers in charge of the work on behalf of the Government. But none of them were consulted as to the correctness of said account. The chief of the bureau being personally present at Kittery on one occasion with Mr. Griffiths, presented the account to Constructor Wilson, bearing his own signature of approval, and ordered him to approve the same. This officer, who had been placed on duty at the Kittery yard after the work on the first contract, and not knowing anything of the facts, but suspicioning that something was wrong, wrote across the face of the bill that it was made by order of the chief of the bureau, and that he signed it by his orders, and that the com-

mandant signed after him upon the like assurance. This sum of \$4,000 for "extras" was paid in full to said Griffiths.

Your committee report that not one dollar of said sum was just or due to said Griffiths. That every item of said extra charge was false, and the whole claim was a bold and impudent fraud, and its payment an embezzlement of that amount of the public revenues, with the knowledge, consent, and friendly aid of the chief of the bureau. He did not have the vessel inspected, nor did he make any inquiry of the officers in charge of the work on the same to ascertain if said account was correct, though they were personally present on the yard at the time, and could and would have informed him that every item of the account was false. He observed the forms of having said accounts paid by his compulsory orders. The moral quality of the action could be made no darker if, without these forms, he had taken from the public coffers that amount of money, and given it to his favorite and friend.

There is another extra charge only half as large as the former, but equally destitute of merit. Mr. Griffiths is this time employed to launch the vessel. In all the testimony we have taken, the statements of naval constructors and ship-builders unite in declaring it the duty of the builder of the hull of a vessel to launch it and deliver it on the water. There is but one instance where it failed, and that was simply the expression of a doubt. But if it was not a part of the first contract, and the vessel was delivered to the Government on the blocks, what necessity was there to employ any one to launch it? The Government had skilled naval constructors on the yard, skilled workmen and hands to the number of ninety or an hundred. The Government had already supplied *all* the material. Most of the labor was furnished by the Government, and *all* could have been, just as easily and without additional cost. Then why should not the naval constructor have launched the vessel and saved that sum of money to the Government?

But if the Government did not have the skilled officers and men to place the vessel in the water, and had to resort to outside skill, the price was too high, as the testimony shows, by two or three or four hundred per cent., according to the varying statements of the witnesses. To sum up, these gratuities to Mr. Griffiths by the chief of the bureau cost the Government the sum of \$33,742:

In the first contract	\$15,000
Extra bill.....	4,000
Launching.....	2,000
Difference in cost of completing vessel by Government after first contract....	12,742
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	33,742

On the subject of the bending-machine mentioned in the charges, it is proved that Mr. Hanscom purchased it from Mr. Griffiths, one of the part owners, and paid him for it the sum of one hundred and sixty thousand dollars; that it is worthless, and was so at the time of its purchase; that it was notoriously so among ship-builders, and pronounced by Mr. Hanscom himself to be a failure before he purchased it; that it has been used but little since its purchase and only since the conduct of the bureau has been subjected to such severe criticism on account of its purchase. It destroys about as much timber as it bends, and if it could bend successfully every piece of timber, it could only bend on an average two sticks of timber per day, and that at great cost to the Government; when the same object could be obtained by working to the right curve naturally-bent timber, and at greatly less cost.

It is estimated by persons familiar with the subject that it will require

from 10 to 12 per cent. upon the capital invested to pay the interest on the investment and keep up the necessary repairs in machinery. If we take it at the lowest sum, the interest on the money invested and cost of repairs would be \$16,000 per annum, or over \$50 per day. As the sticks to be bent are large and long, sometimes from 40 to 60 feet long, it would require eight or ten hands to operate it, and with the coal-oil necessary to be used, the machine cannot be operated for less than \$75 per day, to bend *two* sticks of timber, a large percentage of which will be broken. It must be remembered that this machine only *bends* the timber; it does not dress it and prepare it for its place in the vessel; that has to be done before and after it is bent, also at about the same cost as the piece of natural curve. Any naval constructor can take a piece of timber of the natural curve and dress it and prepare it by hand for its place in the vessel for less than half of what it will cost to *bend* a piece by machinery without the other work. It is unnecessary to detail all the facts pertaining to the several charges made or to enumerate them and report upon each one of them separately. The committee feel authorized to report that *all* the charges made are fully sustained by the proof.

Your committee do not see any reason for shutting up the navy-yard at Kittery on account of the official misconduct of the Chief of the Bureau of Construction and Repair, or of other officers. The frauds and abuses shown to exist should be extirpated, and the lash of public justice should fall in condign punishment upon the perpetrators, and "Let no guilty man escape."

The navy-yard at Kittery is one among the best, and should be kept and used for the benefit of the Government, as it may deem proper.

In conclusion, the committee report the following resolution to the House, and recommend its passage:

Resolved, by the House of Representatives, that all the charges of frauds, abuses, and official misconduct charged by Hon. John H. Burleigh against the administration of the Kittery navy-yard have been fully sustained by the evidence taken by the Naval Committee.

Mr. B. W. HARRIS, from the Committee on Naval Affairs, submitted the following as

THE VIEWS OF THE MINORITY:

The undersigned members of the Committee on Naval Affairs submit the following minority report:

On the 22d day of May last Hon. John H. Burleigh, of Maine, introduced the following resolution; which was referred to the Committee on Naval Affairs:

Resolved, That the Naval Committee are hereby charged with the duty of examining the charges in the Record, made by the Hon. John H. Burleigh, against the conduct at the Kittery navy-yard, and to report to this House as to the truth or falsity of the same as appears by the *recent investigation*. Also, whether any reasons have existed or do exist, caused by the conduct of those in special charge of the yard, for cutting off the appropriations for working it.

The charges which we understand to be referred to in the resolution are contained in a speech made by Mr. Burleigh, and to be found in the Record of December 22, 1874. It will be observed that the committee are required to report on the truth or falsity of the charges made by him *as appeared by the recent investigation*. It should be here stated that the recent investigation referred to took place at Portsmouth, beginning on the 15th day of March last, and that Mr. Burleigh, a member of the Subcommittee on Naval Affairs, was himself one of the investigators. The material points of the speech of Mr. Burleigh above referred to are as follows:

MR. BURLEIGH. I move to strike out the last word, for the purpose of making some remarks on this bill. It will be noticed that the portion of this bill relating to the Bureau of Construction and Repair is included in twelve lines. Last year that portion of the bill embraced one hundred lines. Has the Navy Department become so much more honest that we can trust it further than heretofore? I maintain that the abbreviation of that portion of the bill is in the interest of contractors. We to-day have a Secretary of the Navy; good, honest, intelligent officers in the Navy; constructors and skilled mechanics to lay out the work in the navy-yards and oversee it; skilled laborers, ready to work, men that have learned their trade in the navy-yards, and, of superior skill—a perfect organization. But as an appendage, for a tail I may say we have the contractors. The trouble is that the contractors are winding around the whole body.

On this I have a little story to tell, and now is the right time to tell it. Last winter a member of the Committee on Naval Affairs received a letter from a contractor at the Kittery navy-yard, claiming that a constructor from another yard and the head of a bureau had received many presents of different kinds from contractors; that he paid them \$6,000 for their influence with the Navy Department to buy a timber-bending machine of him, now in Boston. The letter was withdrawn during the recess by request of the party sending it, and acknowledgment made that they were not right when the first letter was sent. The first contract by this Mr. Griffiths was to complete the new sloop of war building at Portsmouth. During the recess he receives an extra \$4,000 for completing her and \$2,000 for launching her—a ship of six hundred tons—with all the facilities of the yard at his command, and he says there was a mistake in his sending the letter; and now what is the result? The man had contracted to complete the ship. At first he gets four prices to launch her; he gets \$4,000 to complete the ship again; and now he has a contract, as I understand it, under which they agree to give him \$25,000 to go on with her, and he does not agree in that contract to complete the ship; he does not seem to be bound to do anything but have money.

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Mr. BURLEIGH. I move to amend the clause just read by striking out "\$100,000" and inserting "\$50,000." I make this motion for the purpose of stating that I believe this contingent fund, or a portion of it, is used to thwart the action of Congress.

The records will show, and many men on this floor will remember, that at the last session of the Forty-second Congress an act was passed cutting off certain sinecure offices in the different navy-yards—that of receiver of and that of clerk of accounts.

My predecessor (Mr. Lynch) at that time on this floor asserted, as he had done before, that these were sinecure offices; that the receiver at the Kittery navy-yard in particular did nothing but receive his pay; that the Secretary of the Navy himself knew they were sinecure offices, and had discharged the incumbents, but was obliged to fill the position of receiver again at Kittery on account of the political pressure which was brought to bear on him. It was also stated by Mr. Lynch that he expected that at the other end of the Capitol there would be a pressure brought to bear to have these officers retained. He was not disappointed. They did not succeed, however, and the places were abolished.

The appropriation for these sinecure places expired in July, 1873; but a short time before the expiration of that appropriation I learned that the receiver to whom my predecessor stated it was robbery to pay money out of the Treasury of the United States for doing nothing was about again to be appointed to a similar position. I wrote to the Secretary of the Navy, referring him to the action of Congress and the statements which were then made, telling him that I believed them to be true, and protesting in the most respectful manner, but earnestly, against his appointing any man to such position in the district I have the honor to represent.

In his speech he also complains that certain acts of the Secretary of the Navy, relating to the retention of M. F. Wentworth at Kittery, he considers insults to himself, to the members of this House, and to Congress. Mr. Burleigh was the only republican member of the Committee on Naval Affairs who participated in the investigations at Portsmouth; and he must have gone into that investigation remembering his fancied insults, and indignant at the supposed frauds which he had denounced on the floor of the House, and with the same desire to have his speech sustained which he now manifests. A tribunal so constituted, sitting with closed doors, and with the seal of absolute secrecy upon its lips, can hardly be claimed to have been impartial or likely to get at the evidence on both sides of the question; and an examination of the testimony taken at Kittery will satisfy any person that the investigation was a most one-sided and *ex-parte* affair. Mr. Burleigh was in his own district, and knew where to find the witnesses to sustain his speech; he knew who would be likely to dispute the charges made concerning Dr. Wentworth and his removal, and yet it appears that upon that subject only one witness, one Mr. ——— Jewett, was called at Kittery to testify. Wentworth himself was not called to give his explanation or denial; he was not permitted to know that the subject of his appointment and removal were under investigation at all, or that the truth or falsity of the charges in Mr. Burleigh's speech of December, 1874, was or would be the subject of investigation.

When, therefore, the investigation by which the truth or falsity of the charges concerning the action of the Secretary of the Navy in the appointment and retention of Dr. Wentworth in the Kittery navy-yard was determined and closed, there was little evidence on either side of the question, and that charge had not been sustained. The occasion and the place most favorable to a full investigation of the subject did not induce Mr. Burleigh to invite the evidence. Upon such a showing we may be justified in venturing the opinion that he did not court the inquiry. At no time since has Mr. Burleigh called for fuller inquiry upon this subject. He has not ventured to call the attention of the Secretary of the Navy to the subject during this entire investigation, or to call for his own letter written to the Secretary of the Navy on the subject, in which he declares that he protested in a "most respectful manner, but earnestly, against appointing any man to such a position in the district I have the honor to represent."

The only other evidence bearing upon the subject ever taken at any time was taken at Washington on the 15th day of March, 1876, the witness being Commander Fairfax. His testimony upon the subject is found at pages 98 and 99, and that of Mr. Jewett is found on page 144 of the Kittery proof. It will be perceived that at the time this testimony was taken the resolution under which we are acting had not been introduced, and no member of the committee had notice that he would be called upon to pronounce as to the truth or falsity of the charges made by Mr. Burleigh, in a speech in the Forty-third Congress, to which their attention had not been called. Upon the subject, therefore, of the action of the Secretary of the Navy in retaining or removing Dr. Wentworth from the Kittery navy-yard, we do not feel that we are justified in expressing an opinion. The case has not been fairly tried; the evidence is *ex parte*; it may be capable of explanation and contradiction; and the committee have had no opportunity since the close of the investigation at Kittery to present other evidence, since, under the strict construction of the resolution, the majority of the committee hold that no further testimony was admissible. The charge of Mr. Burleigh concerning Dr. Wentworth may or may not be true.

We have not all the means to determine that question which a full, impartial investigation would have furnished us. We therefore decline to express any opinion.

Upon the subject of alleged frauds in the construction of the sloop of war *Enterprise*, Mr. Burleigh opens the complaint in this way :

We to-day have a Secretary of the Navy; good, honest, intelligent officers of the Navy; contractors and skilled mechanics to lay out the work of the navy-yards and oversee it; skilled laborers ready to work, men that have learned their trades in the navy-yards, and of superior skill—a perfect organization. And as an appendage or a tail, I may say we have the contractors; and the trouble is that the contractors are winding around the whole body.

This language has no significance except as a complaint against the Navy Department for employing persons to do Government work by contract in the navy-yards. The unreasonableness, the injustice, and the unfairness of this complaint may be most readily shown by reference to the law under which the ship *Enterprise* was built. By an act of February 10, 1873, Congress authorized the construction of eight sloops of war. It provided that four of these vessels should be built by contract and four by the Government—the evident purpose being to test the question whether the Government interests could not be best subserved by having its work done by contract rather than in the navy-yards. It provided “That four of the said vessels shall be built in private yards, upon contract to the lowest responsible bidder therefor, upon public competition or proposals, due notice thereof being given by advertisement, upon models, specifications, and drawings furnished by the Navy Department, and under its direction and supervision, if, upon full examination and consideration, the same shall be deemed practicable by the Secretary of the Navy; or the hulls of any portion of said vessels may be built upon private contract in the Government yards upon like proposals, models, specifications, drawings, and supervision, and upon like examination and consideration, the Government in either case furnishing such materials as may be deemed practicable by the Secretary of the Navy.”

This was the law under which the *Enterprise* was built, and however the ship-builders and mechanics of Maine may have been pleased to hear their Representative denounce the contractors as an “appendage” or “tail” to the Navy Department, the Secretary had yet no other duty than to obey the law which invoked the aid of contractors. We think

this fling at the Secretary of the Navy for employing contractors was not justified in any way, and betrays a willingness to misconstrue the motives and misrepresent the lawful and just action of the Secretary in the premises, and a mind so prejudiced as to be wholly incapable of fair, impartial judgment. Under the provisions of that act two sloops of war were laid down in the Kittery navy-yard at about the same time. One, the Essex, was to be built by the Government, and one by Mr. J. W. Griffiths, under contract for the labor, the Government furnishing the material. Congress, and not the Navy Department, is responsible for the contract system, and Mr. Burleigh, as a member of Congress, must have known at the time he made his speech that his strictures were uncandid and unfair.

Upon the subject of the contract of Mr. Griffiths for building the Enterprise Mr. Burleigh says: "The first contract by this Mr. Griffiths was to *complete* the new sloop of war building at Portsmouth." A greater mistake could scarcely have been made. Mr. Griffiths made no such contract at that time, as all the proof shows. The Secretary of the Navy having determined to proceed under the last or alternative clause of the law above cited, and to build the *hull* of the Enterprise in the Kittery navy-yard, on the 30th of June, 1873, issued through the head of the Bureau of Construction and Repair the following advertisement for proposals:

Proposals for building sloop of war at Kittery navy-yard.

NAVY DEPARTMENT,
BUREAU OF CONSTRUCTION AND REPAIR,
June 30, 1873.

Proposals will be received at this bureau until 12 o'clock m., the first day of September next, from builders or mechanics qualified to do the work, for the raising, framing, and ribboning, planking from keel to rail, ceiling, including keelsons, clamps, spirketing, and battery, to rail, putting in decks, including all bitts, &c., putting on main and hammock rails, channels, and chains, building store-rooms, magazines, and lockers, joiner-work inside and out, calking and scraping, building quarter-galleries and setting head, and painting complete, of a sloop of war of about 640 tons. The materials, tools, and facilities for doing the work will be furnished by the Government.

The Chief of the Bureau of Construction and Repair will be at the Kittery navy-yard on Wednesday, the 20th of August next, and, in connection with the naval constructor of that yard, will meet persons desiring to make proposals for the work above mentioned, and will give all necessary explanations concerning the work to be done, and in regard to the character of the materials, tools, and facilities to be furnished by the Government.

Plans and specifications may be seen and examined by applying to the commandant of the Kittery navy-yard after August 1, 1873.

It is manifest that this did not contemplate a contract to complete the ship, but only to build a hull. It will be noticed that the advertisement announced that the chief of the bureau and the constructor were to be at the Kittery navy-yard on the 20th of August of that year, to meet the persons desiring to make proposals for the work above mentioned, and "to give all necessary explanation concerning the work to be done." The evidence shows that on the day named, Mr. Hanscom and the constructor were present, met the persons proposing to bid, explained the plans and specifications, and showed and told them just what work would be put up to competition among them. Bids were handed in, and the contract was awarded to Mr. J. W. Griffiths for the sum of \$46,200, he being the lowest bidder therefor. The next highest bidder was Mr. E. G. McMichael, for the sum of \$46,725. All the other bids were considerably higher than these. In the written contract subsequently entered into, Mr. Griffiths agreed to construct the hull of a steam sloop of war,

and what that term was intended to cover was stated, item by item, in the contract." Specifications for the vessel were furnished and made a part of the contract, in these words: "And the said parties of the first part do further agree that the *work to be done by the said Griffiths under this contract shall conform* in all respects with the specifications and drawings for the aforesaid *vessel* now in Kittery navy-yard, and which are hereby made a part of the contract."

Great effort has been made to show that Mr. Griffiths was bound to do all the work referred to in the specifications, and the attempt to enforce so absurd a proposition has given rise to much bad feeling, and, as we think, to some reckless testimony. It is manifest that the specifications for the whole of the *vessel* were made a part of the contract for building the *hull*, so that the contractor might make the work upon the hull in all respects *conform* to the other parts and to the general plan of the *vessel*. The language is inapt for any other purpose. This, we think, effectually disposes of the statement of Mr. Burleigh, that the first contract by Mr. Griffiths was "to complete a new sloop of war building at Portsmouth." Mr. Burleigh goes on to say, "he receives an extra \$4,000 for completing her." Now, the \$4,000 was not paid Mr. Griffiths for completing the vessel, nor for extra work, which Mr. Burleigh saw fit to call it in his speech of May 21, 1876, where, making reference to the proof, he says, "\$4,000 wrongfully paid for extra work." As the evidence abundantly shows, Mr. Griffiths was under contract to finish the hull in a given time—two months—and was under penalties of \$25 a day for delay beyond that period, the Government to furnish all materials and the facilities of the yard. The \$4,000 was paid to Mr. Griffiths for detention, and his claim for extra work was filed at the same time, amounting to about \$1,674, and has never been paid. Mr. Isaiah Hanscom ordered the payment of \$4,000 for detention, less than the amount claimed, leaving the balance to be passed upon by referees, and upon this point there is no conflict of testimony. The statement, therefore, that the \$4,000 was paid to finish the ship is not sustained. Whether Mr. Hanscom had just grounds for making the payment is quite another and different question; but that there was delay and detention by reason of his not being furnished plank, copper, bolts, &c., is shown by the testimony of Mr. Griffiths, page 47 of the Kittery testimony. Mr. Webb, the constructor, reluctantly admits that there was delay, while denying that Mr. Griffiths should be paid for it. Mr. Noyes, the foreman of shipwrights, admits it, though in his examination by Mr. Burleigh a strong effort was made to break the effect of his admission.

Mr. Hanscom undoubtedly had knowledge of the facts himself, and he passed upon the bill, paid the \$4,000 upon it, and now declares it to have been just and right. There is not a pretense of evidence going to show that Mr. Hanscom acted corruptly in making the allowance, or that he in any way derived any benefit from it. He was the person authorized to finally determine such a question. It was his duty, and however much we may, on this *ex parte* testimony, doubt whether he acted wisely, we cannot charge him with fraud or corruption. Mr. Burleigh, we think, was wrong, utterly, as to what the money was paid for, and if he intended to insinuate fraud on the part of Mr. Hanscom in ordering payment, he has failed to secure any evidence to justify the intimation. Mr. Burleigh also complains that \$2,000 was paid for launching the vessel, and upon this point a vast amount of time was spent in attempting to show that the contract to build the hull of the ship properly included its launching, while the contract itself is silent on the subject. There seems to be no doubt that in the ordinary ship-yards, a contract to build the hull of a

merchant-ship would include the launching, but this was a ship-of-war, erected in a Government navy-yard, in a ship-house, and on ship-ways of the Government, where, as we all know, vessels of war sometimes remain for years without completion.

All the material entering into this contract was furnished by the Government, so that at every stage of its progress the ship was absolutely in the hands and under the control of the Government, to be launched whenever the Government might require it. The contract was not for a completed ship, but for a hull merely; and it was a vessel of war, with many things to be completed by the Government which are not found in merchant-vessels; and we have the declaration of Mr. Hanscom that it was not the intention, when the contract was made, to launch the ship; that he did not know whether it would be two years or longer before the engines would be ready, and that consequently he did not want to float the vessel, or do anything else but keep her on the stocks, until they got ready.

It is apparent that neither Mr. Hanscom nor Mr. Griffiths ever understood that the vessel was to be launched as a part of the first contract. It was simply intended to complete the hull and leave it there in the possession of the Government ready to be finished when the Government should desire it. It should be said that this was the first time that a private contractor had ever undertaken to construct a vessel out of Government materials in a Government yard; and it may not, therefore, be strange, perhaps, that honest men should differ in their views upon so new a subject. It is implied by Mr. Burleigh's remark that the price paid was exorbitant. He speaks of "four prices." We have estimates as to the cost of launching the vessel at the time of \$500 to \$1,200. It will not be and has not been denied that there is risk in launching a vessel. If Mr. Griffiths undertook, as is claimed both by him and Mr. Hanscom, at his own risk to launch the *Enterprise*, and to make good any injury which might be done to her in the process, he was entitled to receive for his risk something in addition to his actual expenditure. If the transaction was fair and honest, we leave the question of price to the men who understood better than we can such matters.

It was, as we believe, a fair open, contract. Mr. Hanscom asked Mr. Griffiths for his price in launching the vessel. It was given and accepted, and the work was done and the money paid, and there was no evidence of complicity, fraud, or unjust purpose; and the intended or implied imputation falls to the ground.

Mr. Burleigh, further on, again says that the man had contracted to complete the ship; and, again, "at first, he gets four prices for launching her;" and, again, "he gets \$4,000 to complete the ship again." It is useless to answer these statements. They gain no force by their repetition; nor can the denial of them be stronger or more emphatic thereby.

Mr. Burleigh again says: "And now he has a contract, as I understand, under which they agree to give him \$25,000 to go on with her, and he does not agree in that contract to complete the ship." The facts are that Mr. Griffiths made three contracts for work to be done on the *Enterprise*, as follows: The first, to build the hull, \$46,200; the second, to continue the work to completion, \$25,000; the third, for masts and spars, \$6,500. He has been paid for launching the vessel \$2,000, and for detention \$4,000, making a total sum of \$83,700. This sum covers all payments made or to be made to Mr. Griffiths, and is subject to such deduction as may be made by the examining board before acceptance by the Government.

The majority of the committee have seen fit to report that there was

paid, and is to be paid, to Mr. Griffiths, \$33,742 more than he is entitled to. That in a total of all contracts, amounting to \$77,700, there has been fraud to the amount of \$33,742, leaving as an inference that he was entitled to the sum of \$43,958 for all the work done by him under all the contracts, a sum below his first contract, to build the hull. Such a conclusion is manifestly unjust, and could only have been reached by following the *ex-parte* statement of those admitted to be hostile to Mr. Griffiths, and who are opposed to the system of building vessels by contract in navy-yards, and rejecting entirely the testimony of other witnesses quite as intelligent and honest, and having equally good, if not better, means of forming just conclusions. It should be stated that, after Mr. Griffiths commenced upon his contract, differences often arose between him and the constructors in charge as to what his contracts required of him. Those differences were first referred to the commodore in charge of the yard, Howell, who says in his testimony, "I decided against him whenever I possibly could." (Kittery proof, page 104.)

It is in evidence that Mr. Webb, the constructor, "was not very much attached to Mr. Griffiths," and that he, too, was opposed to the system of building ships by contract in the navy-yards; and Mr. Hichborn, the assistant naval constructor, entertains similar views. As a reason for so deciding, Commodore Howell says, "because it annoyed me, in the first place, to have a ship built in the yard. I did not think it a good place to build a ship." It will not be a matter of surprise to know that such convictions might lead to wrong conclusions and great injustice and oppression. It cannot certainly be wondered at that Mr. Griffiths should appeal from such decisions to Mr. Hanscom, who had the right and the power to overrule them, and who had also more knowledge of the scope and intent of the contract than any other man; neither can it be a matter of surprise that such decisions were generally overruled. Mr. Webb, constructor, and Mr. Hichborn, his assistant, were evidently both hostile to Mr. Griffiths, and now believe that the opinions which they expressed during the building of the vessel ought not to have been overruled. These gentlemen seem to have construed the contract to the injury of Mr. Griffiths on all possible occasions, and to be now inclined to justify and defend their action. In passing, we cannot refrain from observing that Mr. Burleigh, too, in his speeches during the Forty-third Congress, in which the subject is referred to, displays great hostility to the system of contracts. In common with the ship-carpenters and mechanics at Kittery, the constructors and others in charge of Government work, he is opposed to the contract system. That such a system limits the patronage of a member of Congress, deprives him of the power of making political appointments in his own interest or in the interest of his party, is apparent. Wherever there is a navy-yard the same feeling pervades. Loss of work to a mechanic explains his hostility to the contract system; loss of patronage to a member of Congress may explain his. The officers of the yard have charge of the companion ship *Essex*, being built upon the same model and by substantially the same plan, at Government expense. Thus there was rivalry and manifest determination, if possible, to demonstrate that ships could be built in the yards of the Government, if not at as small cost, at least at the same cost, and far better than could be possibly done by contract. Much greater amounts of material are charged to the *Enterprise* than to the *Essex*, and various reasons are attempted to be given to explain the fact, which are more or less satisfactory.

It may, however, well be doubted whether material used on the

Essex was not charged to the *Enterprise*. It is from witnesses so influenced and prejudiced that testimony comes to sustain the inferences of the majority. Could Mr. Griffiths and Mr. Hanscom, the persons so deeply affected in thier characters and honor, have been permitted to hear the statements of these witnesses and subject them to the test of cross-examination, we cannot doubt that they would have been materially modified. Mr. Burleigh was present, acting, as we think, all the way through (and an examination of the testimony will demonstrate it) rather as a prosecutor than as a disinterested and impartial investigator; and it is so apparent that it cannot be disguised that he was also seeking his personal justification for his speech in Congress.

In concluding what we have deemed it our duty to say upon the subject of the alleged frauds in the contract for the building of the *Enterprise*, we call the attention of the House to the fact that on the 18th day of May last Mr. Hanscom, understanding that there were some differences of opinion in relation to the building of the *Enterprise*, appointed a board of naval constructors of large experience, and made it their duty to investigate and report upon this whole subject. They proceeded to Portsmouth, made their investigation, and submitted their report, which is found in *Miscellaneous Testimony*. It will be seen, on an examination of this report, that the board, having the contract and the specifications of the ship itself before them, and being men of large experience, all educated as ship-builders, are able to give an opinion on the question involved more valuable than that of any and all other persons; and if the report is true, it seems to us that there can be no question that the charges of Mr. Burleigh upon the subject of fraud in the building of that vessel lack support. It goes far to sustain Mr. Hanscom's ruling, in which he decided in favor of the contractor, and against the prejudiced officers of the yard, if it does not remove all doubt that he acted with wisdom and impartiality and with entire honesty. It leaves no room for the suspicion that Mr. Hanscom relieved the contractor from work required under the first contract wrongfully, or with an intention to favor Mr. Griffiths, or that he paid him for the same work in the second or third contracts knowingly and with corrupt intention.

The attempt to destroy the effect of this report, to belittle the men who made it, and to diminish the value of their opinions in the cross-examination of Mr. Hanscom, which followed immediately upon its introduction, and is found on page 649 of the *Miscellaneous Proof*, was vigorous, persistent, and aggressive, but wholly failed in its aim. The testimony of Mr. Hanscom is clear, straightforward, and displays a knowledge of his business and of the subject which does him great credit.

Mr. Burleigh intimates that Mr. Griffiths had paid \$6,000 as an inducement to the purchase for the Boston navy-yard from him of a timber-bending machine. This cautiously-altered, half-concealed accusation seems to have no support whatever in the testimony, and is utterly denied and contradicted. That a bending-machine was purchased by Mr. Griffiths for the Boston navy-yard at a cost of \$160,000, including a large building, steam-box, engine, &c., is true. That the machine is of doubtful utility must be admitted; but even upon this point the testimony is conflicting. We incline to the opinion that the weight of evidence is in condemnation of the machine as a thing of practical value. That it is ingenious, very powerful, and very costly, no one will deny. For the bending of timber of moderate curves, it may be of great use, if at any time the demands of the service are such as to give it full employment, but in ordinary times it will be seldom used. Before its purchase, it had

been used in the erection of a merchant-ship called the New Era. That ship was wholly built of straight timber bent to the required form by this machine, and she is now afloat and enjoys a high reputation. Many competent men, experts in ship-building, believed that with this invention a new era in ship-building had dawned. That the officers of the United States in charge of the Navy should have felt it their duty to purchase for the Government so powerful an agent was, perhaps, not strange. Steam-hammers of great size, immense lathes and planers for working iron, are of modern invention and introduction, and yet they all found a prompt place in the work shops of the Government. Why not a timber-bending machine?

It is more and more difficult every year to procure "natural crooks," and it may not be wondered at that the officers of the Navy seek to secure a substitute. The machine is not a failure as a machine. It does with wonderful power and precision what it was intended to. Its effect upon the material, economy in use, and the demand for its work are questions which must determine the wisdom of its purchase. Mr. Hanscom made a mistake, we think, in making this purchase at that time, and we have no doubt that upon his present knowledge he would decline to make so large an expenditure. Beyond this the evidence does not justify us in going. That there is the remotest ground to support the suspicion of fraud or corrupt motive we are wholly unable to find.

In conclusion, we feel it our duty to say that whether the charges made by Mr. Burleigh, if proved, would have formed a sufficient ground to justify the Committee on Appropriations in refusing to make provision for the Kittery navy-yard, those charges, not being sustained, so long as that yard is deemed important for the naval service, reasonable and proper appropriations should be made for working it.

B. W. HARRIS.
CHARLES HAYS.
L. DANFORD.

JULY 27, 1876.

